

S&P Global Developed Fixed Income Indices Country Inclusion Consultation

NEW YORK, MARCH 25, 2020: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on potential changes to the S&P Global Developed fixed income indices.

BACKGROUND

S&P DJI intends to add several countries to the S&P Global Developed fixed income indices, in accordance with our stated policy, which references the IMF World Economic Outlook’s Advanced Economies classification. The following countries will be added to the S&P Global Developed Aggregate Ex-Collateralized Bond Index and child indices:

- Czech Republic
- Iceland
- Latvia
- Lithuania
- Portugal
- Slovakia
- Slovenia
- Taiwan

The following countries will be added to the S&P Global Developed Sovereign Bond Index and child indices:

- Cyprus
- Czech Republic
- Greece
- Iceland
- Latvia
- Lithuania
- Slovakia
- Slovenia
- Taiwan

For a list of global indices potentially impacted by the changes described herein, please refer to the appendix at the end of this document.

PROPOSAL

In order to standardize the country inclusion/exclusion policy and provide an appropriate implementation period for country-level changes, S&P DJI is considering two options for the timing of country-level additions. The policy would apply to the aforementioned additions as well as all future country-level additions.

Option	Description
Option 1: Three Month Waiting Period for Entry	Countries that become eligible for the S&P Global Developed fixed income indices will enter once they have continued to meet all inclusion criteria for three consecutive months. Countries already in the indices that no longer meet the eligibility criteria will drop out at the next rebalancing.
Option 2: Longer Waiting Period for Entry	Countries that become eligible for the S&P Global Developed fixed income indices will enter once they have continued to meet all inclusion criteria for a period of more than three consecutive months. Countries already in the indices that no longer meet the eligibility criteria will drop out at the next rebalancing.

IMPACT ANALYSIS

Using data as of the close on March 2, 2020, the table below shows the actual market value of the S&P Global Developed Aggregate Ex-Collateralized Bond Index and S&P Global Developed Sovereign Bond Index as well as the hypothetical market value that would have resulted had the countries previously described been included in the indices.

Index	Market Value (US\$)		% Change
	Actual (Without Additions)	Hypothetical (With Additions)	
S&P Global Developed Aggregate Ex-Collateralized Bond Index	45,833,088,978,693	46,325,976,321,934	1.08%
S&P Global Developed Sovereign Bond Index	27,368,607,167,986	27,758,268,876,475	1.42%

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

- 1. Which country inclusion/exclusion policy option do you prefer?**
 - **Option 1 – Three Month Waiting Period for Entry**
 - **Option 2 – Longer Waiting Period for Entry**
- 2. If you chose Option 2 in Question 1, what waiting period do you prefer?**
- 3. Do you have any other comments or feedback regarding the proposed changes outlined above?**

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences. Please respond to this survey by **April 23, 2020**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

For further information about this consultation, please contact S&P Dow Jones Indices at SPDJI_Index_Governance@spglobal.com.

Please be advised that all comments from this consultation will be reviewed and considered before a final decision is made; however, S&P DJI makes no guarantees or is under any obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, an announcement will be posted on our website.

Thank you for taking the time to complete this survey.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

CONSULTATION

APPENDIX

The table below lists the global indices potentially impacted by the changes previously described.

Index Name	Index Code
S&P Global Developed Aggregate Ex-Collateralized Bond Index	SPDABXC
S&P Global Developed Sovereign Bond Index	SPFIDSU
S&P Global Developed Sovereign Ex-U.S. Bond Index (USD)	SPDSXUS
S&P Global Developed Ex-Australia Sovereign Bond Index	SPDSXAU
S&P Global Developed Ex-Australia, Hong Kong, Israel, Luxembourg Sovereign Bond Index	SPDX4US
S&P Pan-Europe Developed Sovereign Bond Index USD	SPFIPEU
S&P Eurozone Developed Sovereign Bond Index	SPFIEZ
S&P Eurozone Sovereign Bond Index	SPBDEGI
S&P International Sovereign Ex-U.S. Bond Index	SPBDXUT

Please note that all maturity bucket, currency, and hedged versions of the above indices will also be potentially impacted.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500[®] and the Dow Jones Industrial Average[®]. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spdji.com.

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